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Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 Twelfth Street, SW
Room TWB-204
Washington, DC 20554

Re: Notice of Ex Parte Communication

Review of the Section 251 Unbundling Obligations of Incumbent Local
Exchange Carriers, CC Docket No. 01-338

Implementation of the Local Competition Provisions of the Telecommunications
Act of 1996, CC Docket No. 96-98

Deployment of Wireline Services Offering Advanced Telecommunications
Capability, CC Docket No. 98-147

Dear Ms. Dortch:

Today, Dick Juhnke, Jim Sichter, and I met on behalf of Sprint Corporation with Ian Dillner, Jeremy Miller, Tom Navin, Daniel Shiman, Gina Spade, Rob Tanner, and Kimberly Vander Haar of the Wireline Competition Bureau, Competition Policy Division. Jim Burt, Brian Staihr, and Pete Sywenki of Sprint joined the meeting by telephone.

The issues and points that Sprint covered are outlined in the attached presentation. Sprint also explained that the Commission should end discrimination against wireless technology and confirm wireless carriers' access to unbundled network elements, particularly dedicated transport.

Pursuant to the requirements of Section 1.1206 of the Commission's rules, we are filing electronic copies of this notice for addition to these dockets.

Sincerely,

John E. Benedict

attachment

cc: Ian Dillner
Jeremy Miller
Thomas Navin
Daniel Shiman
Gina Spade
Robert Tanner
Kimberly Vander Haar

Sprint Corp.

UNE Review Issues

October 16, 2002



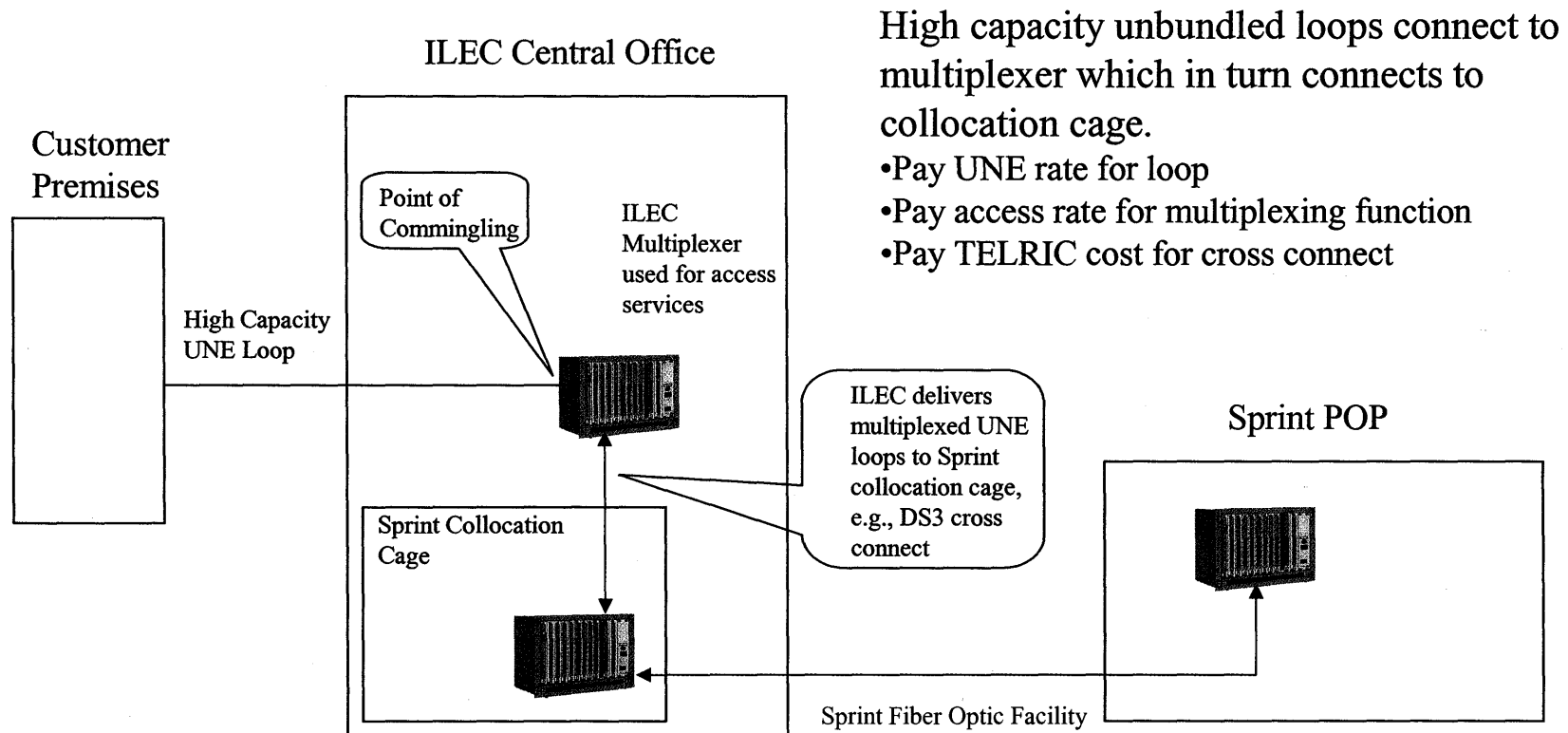
There Are Very Limited Alternatives to ILEC High Capacity Loops

- Sprint reported high capacity alternate access vender (AAV) alternatives to 29,884 of the estimated 744,000 commercial buildings nationwide.*
- Two AAVs that provide high capacity building access have identified a subset of buildings they serve where they cannot serve the entire buildings.

Previous Count of Buildings Served by AAVs:	29,884
Current Count of Buildings with Service to Single Customer:	12,181
Current Count of Entire Buildings Served by AAVs:	17,703

* Sprint Comments CC Docket No. 01-338, Pages 23-24

Commingling Should Be Allowed in Certain Circumstances



Sprint Position: UNE-P

- To this point in time, Sprint has not weighed in on UNE-P debate.
- Operating as ILEC, CLEC, IXC and wireless provider, Sprint's UNE-P position reflects balance of competing interests.
- Sprint's position recognizes legitimate concerns of multiple parties...
 - Long-term financial viability
 - Need for *scale* in order to compete effectively

Overview of Sprint's Position on UNE-P

- Competition based solely on UNE-P offers limited consumer benefit.
- UNE-P is a useful transition to facilities-based competition.
- A transition period is justified for residential market, not for business market.
- CLECs are not impaired, in long-term, if local switching is not unbundled.
- Unbundled local switching for residential customers should be eliminated after transition period.

UNE-P and Impairment

- For local loops and transport, impairment concerns remain...
 - Overbuild of local loops financially prohibitive in most areas.
 - For transport, competitive alternatives not available in most areas, and construction not financially viable.
- For local switching, evidence suggests impairment not an issue in both urban and rural markets
 - However, in order to utilize their own switches, CLECs require access both to EELs and loops behind DLCs (remotes).

CLECs Are Not Impaired, in the Long Term, if Local Switching is Not Unbundled

- CLECs have deployed local switches extensively throughout the country.
 - USTA reports 1300 CLEC circuit switches.
- CLEC switch deployment is not limited to urban areas
 - CLECs have deployed switches capable of serving 68% of Sprint Local Division's access lines.
- In addition, many smaller rural ILECs are building facilities to serve adjacent areas.

Sprint's Local Telecom Division Faces Switch-Based Competition in Exchanges of All Sizes

Sample of Sprint LTD Exchanges with Switch-Based Competition			
Exchange	Access Lines	Exchange	Access Lines
Elida, Ohio	2,773	Commerce, Texas	5,857
Richland, Missouri	9,399	Aulander, North Carolina	1,478
Robbins, North Carolina	2,501	Bland, Virginia	1,846
Monticello, Florida	16,025	Blairstown, Missouri	5,841
Payne Springs, Texas	4,134	Bonifay, Florida	5,665
Austinville, Virginia	1,974	Athens, Texas	14,196
Pataskala, Ohio	14,026	Wytheville, Virginia	10,276
Salem, Missouri	7,324	Four Oaks, North Carolina	2,377
Mamie, North Carolina	2,122	Copperas Cove, Texas	16,626
Starke, Florida	7,953	Galax, Virginia	11,169

ILECs Should Not Be Required to Unbundle Local Switching for Business Customers

CLECs are not impaired if switching is not unbundled.

- High revenue per business customer makes facility-based entry economic.

CLECs have demonstrated that facility-based competition in the business market is feasible.

- In Las Vegas, Sprint LTD has lost 40% of business market to CLECs.
- 75% of UNE loops are stand-alone loops.
- Only 25% of UNE loops are UNE-P.

Sprint recognizes that CLECs may be impaired serving business customers with < 4 lines if unbundled switching not available.

- Sprint would support treating these customers the same as residential customers.

Unbundling Obligation for Residential Customers Should Be Eliminated Only After a Transition Period

- Local competition in residential market still in a formative stage.
- Transition period allows CLECs to acquire critical mass, or *scale*, in advance of deploying their own facilities.
 - Given RBOC entry into long-distance, the lack of transition period (to acquire critical mass) would preclude meaningful competition on a large scale.
- Commission also needs to complete UNE Performance Measurements and Standards proceeding to establish appropriate metrics and enforcement mechanisms to ensure that ILECs deploy unbundled loops, etc. on a timely basis.

Unbundling Obligation for Residential Customers Should Be Eliminated Only After a Transition Period

- Transition period will provide states with opportunity (and incentive) to address rate rebalancing and related measures, to make *ubiquitous* competition in residential market economically viable.
 - Existing rate structures remain barrier to entry in many markets.
 - Particularly in rural areas, residential service priced far below cost.
- Today, residential competition (including UNE-P) is viable only for high end customers, where margins provided by access and features offset low basic service rates.
- Therefore, although UNE-P often referred to as “success story” for local competition, in its current form UNE-P offers no real benefit to large numbers of residential customers.

Local Switching Unbundling Obligation for Residential Customers Should Sunset After 3 Years

- The Commission must provide certainty as to the future regulatory environment.
 - A date certain for the sunset of local switching unbundling will provide that certainty.
 - In interest of certainty, states should not be permitted to retain local switching as UNE.
- A 3 year transition is sufficient time for:
 - CLECs to gain the necessary *scale* in order to compete effectively
 - CLECs to develop switch-based business plans.
 - The Commission to adopt, implement and refine UNE performance measures, standards, and enforcement mechanisms.
 - States to address local service rate structures.

Local Switching Unbundling Obligation for Residential Customers Should Sunset After 3 Years

- Specifically, the obligation to unbundle local switching under Section 251 would expire effective January 1, 2006.
- RBOCs would still have a Section 271 obligation to provide unbundled switching.
 - CLECs could continue to purchase local switching--and thus have access to a platform of elements--but under existing Commission policies local switching could be priced at market rates.
- CLECs would still be able to resell local service.
 - UNE-P customers could be transferred “as is” to resale.